Trelleborg acquires ?GS Holding

Trelleborg has signed an agreement to acquire ?GS Holding a.s. – a privately-owned company with leading positions in agricultural and specialty tires as well as engineered polymer solutions. The total cash consideration amounts to approximately SEK 10.9 billion on a cash and debt-free basis. ?GS is headquartered in the Czech Republic and generated sales of approximately SEK 5,525 billion in the rolling 12-months period ended 30 June, 2015, with a corresponding EBIT-margin of 16 percent.

Closing of the transaction is subject to approvals from relevant competition authorities and is expected to be completed in the first half of 2016.

“I am very proud to announce this highly complementary acquisition, which is a significant and attractive add-on to our existing businesses. ?GS, with its strong and well performing operations in agricultural and industrial tires as well as engineered polymer solutions, will strengthen and complement Trelleborg’s already leading positions in a number of existing areas,” says Peter Nilsson, president and CEO of Trelleborg.

“Trelleborg is a trustworthy strategic partner possessing a comprehensive vision for the development of ?GS HOLDING and we are confident that Mitas, Rubena and Savatech rubber

manufacturing business will be placed in capable hands," says CGS spokeswoman Vera Bechynova.

With the acquisition of ?GS and its subsidiary Mitas, Trelleborg is establishing itself as a global leader in agricultural tires and reinforces its leading position in industrial tires. As a result of the acquisition, Trelleborg Wheel Systems will almost double its revenues, broaden its geographical reach and add new positions in complementary tire niches. Mitas is performing strongly despite the current downturn in the agricultural market. Moreover, the acquisition of ?GS's other industrial polymer businesses will enhance Trelleborg's leading positions in several of the Group's existing business areas.

"?GS has a highly complementary manufacturing footprint with competitive production in Central and Eastern Europe, USA and Mexico. The transaction adds to our capabilities, represents a strong strategic fit and is expected to generate synergies. The plan is to gradually integrate the acquired entities into Trelleborg's existing five business areas. We regard the purchase price as attractive given the significant synergy potential and expected turnaround for the agricultural market," concludes Peter Nilsson.

Key facts regarding ?GS Holding

?GS is a leading supplier of specialty tires and engineered polymer solutions. The company employs approximately 6,500 people, headquartered in the Czech Republic and has 13 production sites of which 11 are located in Central and Eastern Europe, one in the U.S. and one in Mexico.

The group includes the main subsidiaries Mitas, Rubena and Savatech. Mitas accounts for approximately two-thirds of group sales and has strong mid-market specialty tires brands with a strong position in agricultural tires. The speciality tires offering is complemented by Rubena's and Savatech's niche engineered polymer solutions businesses. Rubena and Savatech develop and manufacture a broad range of engineered polymer products, including polymer seals, polymer sealing profiles, speciality conveyor belts and products from engineered fabrics.

Summary of additional financial information

The pro forma combined sales for Trelleborg and ?GS Holding in the rolling 12-months period ended 30 June, 2015, amounted to approximately SEK 30 billion. The combined companies will have approximately 23,000 employees.

Source: CGS Holding